



BOND CAP ALLOCATION PROGRAM

Local Government Division

The Washington Economic Development Finance Authority issued bonds for U.S. Pies Realty, LLC to construct and equip a new manufacturing facility to produce fresh and frozen pies in Airway Heights, outside of Spokane, Washington. This project retained 55 existing jobs and created 16 new positions.

The King County Housing Authority issued bonds for the Overlake Park and Ride project, which combined moderate-income rental housing, a day-care facility and a park-and-ride/transit center into a single integrated use in Redmond, Washington.

Program Overview

As a result of the Tax Reform Act of 1986, every state is required to have a state cap on the amount of tax-exempt private activity bonds that can be issued in any one year. The Bond Cap Allocation Program (BCAP) is designed to allow tax-exempt financing for projects that provide significant public benefit and have some private involvement.

Types of Projects

- Industrial Development
- Low-and moderate-income housing
- Energy production
- Sewage treatment facilities
- Job creation and retention
- Student loans
- Facilities for furnishing water
- Solid waste disposal facilities

How it works

An eligible issuing authority applies to BCAP for an allocation. A specific project must be identified in the application. The company benefiting from the allocation works with the issuing authority and a bond counsel to prepare the application. Upon approval by the agency, a Certificate of Allocation from BCAP is awarded to the issuing authority. The Certificate allows the issuing authority to issue tax-exempt bonds for the project. Once an allocation is awarded, the issuing authority needs to issue the bonds before December 15 of the same year as the allocation.

For More Information

Lisa Vatske, Program Manager
360.725.3014
Lisav@cted.wa.gov

Impact

Since 1987, the Bond Cap Allocation Program has assisted issuing authorities through allocations to:

- Create and/or retain over 9,100 jobs
- Issue over \$1.77 billion for low- and moderate-income housing purposes
- Finance over \$420 million for solid waste disposal facilities

